

Message

From: Valliquette, Arlene [Arlene.Valliquette@meritenergy.com]
Sent: 1/12/2022 8:21:01 PM
To: Wang, Gary [wang.gary@epa.gov]; Brown, Christopher [Brown.Christopher.T@epa.gov]; Wiser, Nathan [Wiser.Nathan@epa.gov]
Subject: RE: Underground Injection Control (UIC) ownership/permit transfer from Merit Energy to E. Shoshone & N. Arapaho Tribes

Gentlemen:

Merit is currently preparing the annual monitoring reports for its injection wells in Indian Country. As you may recall, the Circle Ridge wells in Fremont County, Wyoming reverted to the Eastern Shoshone and Northern Arapaho Tribes last summer.

My question is regarding the annual monitoring reports and how your office would like to see the monitoring reported. Does Merit report the monitoring results for the time period it operated the injection wells and the current operator for the Tribes report for the remainder of the year?

Thanks in advance for any guidance you can provide me. Regards,

Arlene Valliquette, Regulatory Manager
Merit Energy Company, LLC
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From: Wang, Gary <wang.gary@epa.gov>
Sent: Friday, February 12, 2021 2:41 PM
To: jstclair@easternshoshone.org; Jordan Dresser - Chairman <jordan.dresser@northernarapaho.com>; Valliquette, Arlene <Arlene.Valliquette@meritenergy.com>
Cc: DInnocenzo, Benjamin <Dinnocenzo.Benjamin@epa.gov>; Brown, Christopher <Brown.Christopher.T@epa.gov>; Cantor, Tiffany <Cantor.Tiffany@epa.gov>; Rathbone, Colleen <Rathbone.Colleen@epa.gov>; Minter, Douglas <Minter.Douglas@epa.gov>; Bowling, Linda <Bowling.Linda@epa.gov>; Ben-Khaled, Monia <Ben-Khaled.Monia@epa.gov>; Clare Johnson <clare.johnson@northernarapaho.com>; mhirschak@rosettela.com; jeffrey.sanders@bia.gov; zane.gordon@bia.gov; Betancourt Castro, Roberto G <Roberto.BetancourtCastro@bia.gov>
Subject: Underground Injection Control (UIC) ownership/permit transfer requirements from Merit Energy to E. Shoshone & N. Arapaho Tribes

Dear Chairman Dresser, Chairman St. Clair, and Ms. Valliquette;

The EPA received inquiries from representatives on behalf of the Eastern Shoshone Tribe, the Northern Arapaho Tribe, and Merit Energy regarding the requirements for the ownership transfer of the injection wells in the Circle Ridge Field. Please find below the requirements for ownership/permit transfer.

The EPA's record show 21 total injection wells in the Circle Ridge field, of which 11 wells are rule -authorized wells and 10 wells are permitted wells. For your regulatory reference, ownership transfer for rule authorized wells are located

in 40 C.F.R. 144.28 (I) , and ownership transfer for the permitted wells are located in 40 C.F.R. 144.38 and Part II.B.3 of each of the wells' respective permits. Procedurally, the transfer for the wells are the same, and we can transfer all the wells in one process.

The following summarizes the necessary next steps:

- The attached Permit Transfer Application Form 7520-7 must be completed by Merit Energy Company and the proposed transferee and submitted to EPA 30 days in advance of the proposed transfer. Since there is more than one well being transferred, a table can be attached to the form listing the wells associated with the transfer.
- A written agreement between the existing permit holder and proposed transferee containing a specific date for transfer of permit responsibility, coverage, and liability between the parties must be attached to the Permit Transfer Application Form.
- The proposed transferee must show evidence of financial responsibility by the submission of a surety bond, or other adequate assurance, such as financial statement or other materials acceptable to the Director.

Regarding the financial responsibility, the basis for the requirement is so that funds are available for EPA to plug the well if ever the well ever becomes abandoned and an operator is no longer available to plug the well. The EPA requires that each individual well maintains its own financial responsibility. Each of the Circle Ridge injection wells currently holds surety bonds of \$64,000 per well. The individual cost may be increased to adjust for inflation. Ben D'Innocenzo, our financial analyst at EPA, is our financial responsibility expert and will be able to provide additional details and guidance regarding the costs and process for establishing financial responsibility. Ben may be reached by email:

Dinnocenzo.Benjamin@epa.gov (cc 'ed on this email) or by phone: 303-312-6342.

Regarding permit/ownership transfer, Chris Brown, in the UIC Permitting Program will be able to process the approval to the permit/ownership transfer after the financial responsibility has been established. Chris may be reached by email: Brown.Christopher.T@epa.gov (also cc 'ed on this email). To emphasize, for both the transfer of Rule Authorized and Individual Permits, the transfer application will not be approved until the financial responsibility has been demonstrated by the transferee. Additionally, EPA will not release Merit's bonds until the new operator has established financial responsibility for the well, and the permits/ownership transfer has been completed.

I hope this information helps provide some clarity on the UIC transfer process. Please feel free to reach out if you have any questions on this email.

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